

Exhibit C

APPRAISAL

HIGHGATE
SS MOSSER ROAD & HIGHGATE AVENUE
BREININGSVILLE, PA 18031
UPPER MACUNGIE TOWNSHIP
LEHIGH COUNTY, PA

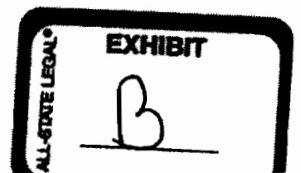
FOR

CIARDI CIARDI & ASTIN, P.C.
ONE COMMERCE SQUARE
2005 MARKET STREET, SUITE 1930
PHILADELPHIA, PA 19103

ATTN: ALBERT A. CIARDI, III, ESQUIRE

BY

REAVES C. LUKENS COMPANY



Reaves C. Lukens Company

REAL ESTATE APPRAISERS AND CONSULTANTS

1626 Spruce Street, Philadelphia, Pennsylvania 19103 □ (215) 545-1900 □ Fax: (215) 545-8548

June 2, 2009

Ciardi Ciardi & Astin, P.C.
One Commerce Square
2005 Market Street, Suite 1930
Philadelphia, PA 19103

Attn: Albert A. Ciardi, III, Esquire

RE: Summary Appraisal Report
Heritage at Highgate
SS Mosser Road & Highgate Avenue
Breiningsville, PA 18031
Upper Macungie Township
Lehigh County, PA
Account No. 09012

Dear Mr. Ciardi:

In accordance with your request, we have appraised the captioned property and our findings are presented in a Summary Appraisal Report format under Standards Rule 2-2(b) of Uniform Standards of Professional Appraisal Practice (USPAP). As such, it presents summary discussion of the data, reasoning, and analysis of applicable approaches to value that were used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in our file.

After considering all factors, it is our opinion and we hereby certify that the market value of the fee simple interest in the subject property, more fully described herein, as of February 21, 2009, was as follows:

TOWNHOUSE (TH) PHASES I & III

-FOUR MILLION EIGHT HUNDRED THOUSAND DOLLARS -

\$4,800,000

TH PHASE II AS IS

-TWO MILLION TWO HUNDRED THOUSAND DOLLARS -

\$2,200,000

Albert A. Ciardi, III Esquire
June 2, 2009

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**TH PHASE II AS IF IMPROVED (AS OF JANUARY 1, 2010, A PROSPECTIVE VALUE FROM THE PERSPECTIVE OF
FEBRUARY 21, 2009)**

-FOUR MILLION TWO HUNDRED THOUSAND DOLLARS -

\$4,200,000

SINGLE FAMILY (SF) PHASES I & II

-SIX MILLION NINE HUNDRED THOUSAND DOLLARS -

\$6,900,000

SF PHASE III

-ONE MILLION ONE HUNDRED THOUSAND DOLLARS -

\$1,100,000

Please note that our value conclusions are subject to certain significant assumptions regarding the physical composition, legal status, and economic history of the subject property. These key assumptions are detailed under the "Assumptions, Limiting Conditions, and Contingencies" section of this report. We reserve the right to alter our analysis and value conclusions should any of these assumptions prove to be inaccurate.

Thank you for the opportunity to be of service and, we look forward to serving you again in the future.

Sincerely,

REAVES C. LUKENS COMPANY


Richard F. Wolf
MAI, CRE
PA General Appraiser No. GA-001514-L

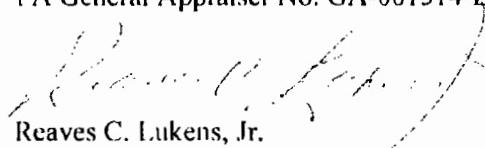

Reaves C. Lukens, Jr.
MAI, SRA, CRE
PA General Appraiser No. GA-000341-L

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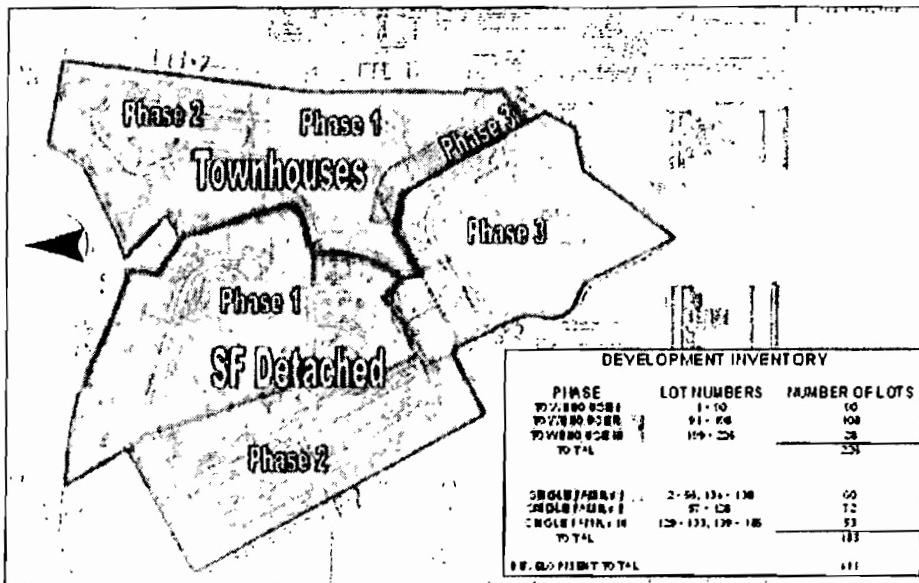
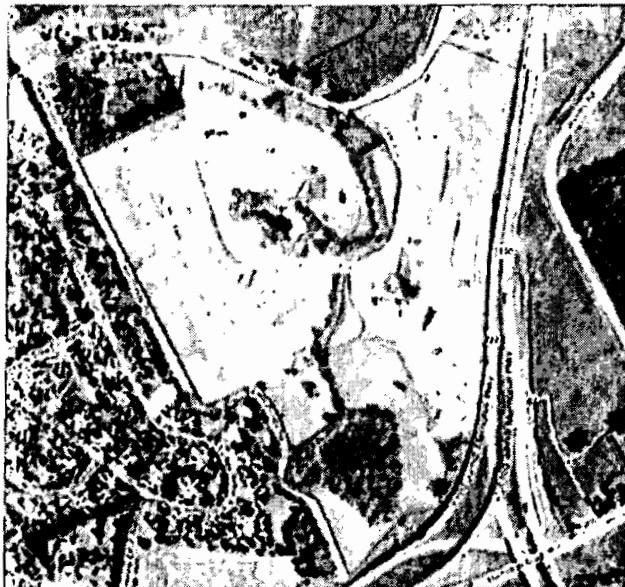
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ADDENDUM

QUALIFICATIONS OF THE APPRAISERS

HERITAGE HIGHGATEEXECUTIVE SUMMARY**Property:**

Heritage Highgate
SS Mosser Road & Highgate
Breiningsville, PA 18031
Upper Macungie Township
Lehigh County, PA

Tax Parcel ID:

K6, Block 5, Lots 2, 4 & 10

GIS Numbers:

5454-8928-5092-1
5454-8898-9824-1
5454-9714-4251-1

HERITAGE HIGHGATE

EXECUTIVE SUMMARY

Inspected By:	Reaves C. Lukens, Jr. Richard F. Wolf
Inspection Date:	February 21, 2009
Property Rights Appraised:	Fee Simple Interest
Date of Valuation:	February 21, 2009
Land Area:	138± Acres
Number of Building Lots in community:	185 Single Family Detached Lots <u>226 Single Family Attached Lots</u> 411 Total Single Family Lots
Number of Building Lots Appraised:	
TH PHASES I & II	53
TH PHASE II	108
SF PHASES I & II	92
SF PHASE III	53
Zoning:	R3, Residential
Highest and Best Use:	Residential Development
Client:	Ciardi Ciardi & Astin, P.C.
Intended User:	Ciardi Ciardi & Astin, P.C. as counsel for the property owner
Intended Use:	The intended use of the report is to provide guidance in connection with bankruptcy proceedings.
Purpose of the Assignment:	To develop an opinion of the market value of the subject as of a current date.
Type of Value Estimate:	Market Value

Market value is defined as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

HERITAGE HIGHGATE

EXECUTIVE SUMMARY

- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well advised, and acting in what they consider their best interest;
- (3) a reasonable time is allowed for exposure in the open market;
- (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and
- (5) the price represents a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

Appraised Value:

TH PHASES I & III	\$4,800,000
TH PHASE II	\$2,200,000
TH PHASE II (as improved)	\$4,200,000
SF PHASES I & II	\$6,900,000
SF PHASE III	\$1,100,000

Unit of Comparison:

TH PHASES I & III	\$90,566 per lot (including improvements)
TH PHASE II	\$20,370 per lot (approved/unimproved)
TH PHASE II (as improved)	\$38,889 per lot (approved/improved)
SF PHASES I & II	\$75,000 per lot (including improvements)
SF PHASE III	\$20,755 per lot (approved/unimproved)

Extraordinary Assumptions:

None

Hypothetical Conditions:

In one valuation scenario we were asked to assume all of the infrastructure was in place for TH Phase II as of January 1, 2010 a prospective value.

Intended Exposure Time:

12 months

Exposure Time is defined as follows:

"1. The time a property remains on the market. 2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal..."²

¹ The Dictionary of Real Estate Appraisal Fourth Edition, Page No. 178, Appraisal Institute, 2002

² The Dictionary of Real Estate Appraisal Fourth Edition, Page No. 105, Appraisal Institute, 2002

HERITAGE HIGHGATE**EXECUTIVE SUMMARY*****Scope of Work:***

In preparing this appraisal, Reaves C. Lukens Company completed the following tasks:

- Richard F. Wolf and Reaves C. Lukens, Jr. inspected the subject site, improvements, and surrounding environs on February 21, 2009;
- Interviewed Mr. Charles C. Sturges, III, CFO of Heritage Building Group, Mr. Richard Carroll, President of Heritage Building Group, Mr. Paul Commito of AMC Delancey Group, Inc., Mr. Edward Ritti of the Land Development Group, Mr. Thomas King IV, PA Land Manager for NVR Ryan Homes and others regarding the state of the residential market and the appeal of the subject property land and improvements;
- Interviews sales representatives from the following competitive subdivision developments; Graymoor by Pulte Homes, Coldwater Crossing by Pulte Homes, Lehigh Crossing by Toll Brothers, Whitfield Estates by TH Properties, the Vineyard by Castle Builders, Laurel Field by Kay Builders, Terrace at Lehigh by Ryan Homes and Spring Ridge Crossing by Judd Builders. We have also interviewed Mr. Zsolt Varkony, sales manager of Heritage Highgate Manors, and Mr. David DeMilio, sales manager of Heritage Highgate Villas regarding the subject property.
- Interviewed Bruce Wlazelek Township officials including the Zoning Officer regarding the subject;
- Researched ongoing transactions of the residential community developments and developed absorption rates;
- Reviewed published sources and business periodicals for information regarding the subject property and the current residential market;
- Gathered information on recent sales of property comparable to the subject, including sales of SFD lots, bulk land and Letters of Intent (LOI);
- Confirmed all comparable sales and with public records and at least one of the parties to the transaction;
- Analyzed the data collected and applied the Sales Comparison Approach and the Income Capitalization Approach.

Report Option:

This report is a Summary Appraisal Report in accordance with Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice. As such, it presents sufficient information to enable the client and other intended users, as identified, to understand it properly.

Acknowledgements:

We wish to acknowledge the contribution made to this report by Richard A. Hideck and Andrew M. Friedman. Working under our direction, Mr. Hideck assisted in collecting comparable sale data. Mr. Friedman assisted in the Market Analysis section of this appraisal effort.